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SUBJECT: TRYING TO RIGHT THE SHIP OF BASRAH

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CLASSIFIED BY: Louis L. Bono, Director, Basrah Regional Embassy
Office, Department of State.
REASON: 1.4 (b), (d)

SUMMARY

¶1. (S/NF) Over the past few months, there have been several indicators that raise concerns about the ability of Iraqi authorities to adequately govern Basrah. In March, there was a direct attack against the Governor's palace followed by a coordinated attempt within the Provincial Council to depose him. Iranian elements are intensifying their efforts to undermine the Coalition in order to strengthen their sphere of influence in the region. We have witnessed an ongoing intimidation campaign by the Ja'ish al-Mahdi (JAM) militia, despite attempts of MND-SE forces to weaken its capability. The Iraqi Police forces are laden with militia members, and the Army's 10th Infantry Division is still a fledgling entity. Security officials are incapable of stemming the violence and organized crime and many politicians have external loyalties. The British have essentially declared that the situation will not improve and seek to turn over control of provincial security to the Iraqis (PIC) by August or September. Unless action is taken by the GoI to stabilize the political situation and replace the inept security officials before PIC, we should prepare for Basrah to continue on its wayward course.

ALL POLITICS ARE LOCAL

¶2. (C) On March 7, 2007, Fadhila withdrew from the governing United Iraqi Alliance (UIA), further widening the tenuous divide between Basrah Governor Mohammed al-Wa'eli (Fadhila) and the Basrah Islamia list (BIL) of the Provincial Council, led by Hasan al-Rashid (Badr Organization). On March 21, JAM attacked Wa'eli's residence and Fadhila headquarters after Wa'eli replaced an Office of Martyr Sadr (OMS)-linked official with a Fadhila crony. A few weeks later al-Rashid and Thar Allah leader Sayid Yousuf led a coordinated effort to oust Wa'eli. Both al-Rashid and Yousuf harbor personal enmity toward Wa'eli and tried to unseat him last year as well. On April 16, they organized mass street demonstrations calling for Wa'eli's resignation and garnered 27 Provincial Council members, some reportedly under duress, to sign a petition of no confidence against the governor. Yousuf also hinted of a plan to assassinate Wa'eli should all else fail. With Fadhila out of the ruling Coalition, and its major power base under siege, it appeared that Fadhila's ship was sinking. Or so we thought.

¶3. (C) Fast-forward two months, and Fadhila remains afloat. The

question of whether the 27 signatures are sufficient to remove Wa'eli has been put to Prime Minister Maliki for legal review. At issue is whether non-voting members of the Council - the governor and deputy governor - should be counted for the two-thirds majority requirement, and whether all 27 signatures are valid. Maliki had indicated he would rule against the governor, but it has been weeks and no order has been issued. It is believed that Maliki has been reluctant to rule against Wa'eli with the nationalists courting Fadhila's 15 votes in the Council of Representatives. Now, according to Wa'eli, Maliki is under increasing pressure from Iranian-backed Iraqis to dismiss him.

POWER PLAY

14. (S) One Provincial Council member suggested the only way to resolve this impasse was to request Islamic Supreme Council of Iraq (ISCI) leader Abdulaziz al-Hakim to intervene with the BIL. Indeed, National Security Director Mufaq al-Rubai reportedly said, the issue over Wa'eli is a UIA problem. However, this proposal was discounted by another reliable contact who advised that al-Hakim could not make such a move without the blessing of Tehran. According to this contact, Iranian agents exercise significant influence over all of the major political organizations and militias in Basrah, particularly Badr, OMS, and Thar Allah, by supplying them with financial and organizational support.

15. (S) The Shi'a party in Basrah with the fewest tethers to Iran appears to be Fadhila, following a falling out between Wa'eli and his Iranian handlers last year. Wa'eli and his brother Ismail appear to have consolidated their control over the oil industry, antagonizing the other Shi'a parties over shares of the oil smuggling revenues, and the Iranians who are seeking to influence the industry. With hostility between the Shi'a factions growing, the green light to take out Wa'eli apparently came following the withdrawal of Fadhila from the UIA.

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16. (S) While Wa'eli's fate languishes with Maliki, Fadhila has reportedly been making overtures to OMS and to ISCI and Badr. The latter two remain the wild card in Basrah. While OMS and JAM have played a very visible role in creating a maelstrom, Badr, led by al-Rashid, has been relatively quiet, not withstanding al-Rashid's attempts to unseat Wa'eli. Al-Rashid, who spent years in Iran as a political refugee and was educated at the Iranian military academy, preceded Wa'eli as governor. There is speculation that with PIC approaching, he is looking to make a power move.

17. (S/NF) Against this backdrop, the British have all but declared their intention to depart Iraq within a year, resigned to the fact that the security situation in Basrah will not improve. The British consider the withdrawal from Basrah Palace and the handover of provincial Iraqi control (PIC) the first steps in this process. The Iranians, who are wary of Coalition forces on their doorstep, are eager to be seen as the impetus for the British withdrawal and to strengthen their sphere of influence in Iraq's second city. They have intensified their proxy war against the British forces, principally through JAM, and according to Wa'eli, are increasing efforts to remove him. Wa'eli has declared that Basrah is not ready for PIC, presumably concerned that British forces will no longer be around to support him. Meanwhile JAM, despite the loss of its recent leader Abu Qadir, is leveraging its Iranian support to establish itself as the dominant force in Basrah.

MOVING FORWARD

18. (S) With PIC by this autumn an apparent fait accompli, fears persist among our contacts of an increase in violence. Thus, if we are going to have any degree of success, we will have to divorce ourselves from the idealic conditions set forth by the Joint Committee for the Transfer of Security and focus our efforts (and the GoI's) on maintaining a semblance of balance

among the factions. As we see it, there are essentially three options for the GoI: (1) do nothing and maintain the status quo, (2) uphold the petition and replace Wa'eli, or (3) dismiss the petition and keep Wa'eli in office, with the GoI retaining authority over the Iraqi Security Forces (ISF).

¶9. (S) The first option, is probably the least tenable. Wa'eli claims to be conducting business as usual, but al-Rashid and others are still intent on replacing him. And while there has been surprisingly little violence between Fadhila and the other blocs over the past few months, it is difficult to predict what would happen if this ends up as a "no decision." Further, it has been clear for months that the police chief and the Emergency Security Committee do not control the security forces and need to be replaced, and it is increasingly evident that the Iraqi Army alone cannot secure Basrah. Unfortunately, with the Prime Minister vacillating for over a month on the fate of the governor and for several months on the police chief, this appears to be the course on which we are heading.

¶10. (S) The ideal solution would be to replace Wa'eli with a Fadhila candidate who can work with the Provincial Council, the security officials, and the Coalition. Al-Rashid has offered to accept a Fadhila replacement, and Wa'eli claims that Maliki has offered him an ambassadorship to any country or a post as deputy minister if he resigns. However, Wa'eli said he does not intend to step down, and Fadhila does not appear inclined to replace its cash cow.

¶11. (S) The third possibility, is to keep Wa'eli in office and to appoint a new security tsar and police chief or even combine the positions. Given the ineptitude of the ISF, Fadhila, under Wa'eli, is perhaps the only force capable of countermanding JAM at this point. Indeed, a Ministry of Interior (MoI) delegation recently opined that an "anarchy-type" situation could ensue if Wa'eli were removed. However, the delegation also recognized, and we agree, that it would be a mistake to invest Wa'eli with the security portfolio given his reputation as a smuggler and ruffian. Thus, the MoI delegation recommends that Wa'eli remain, but that the GoI should appoint new security officials and retain control over the ISF.

COMMENT

¶12. (S/NF) The British would prefer to replace Wa'eli with a more acceptable candidate, particularly in light of his opposition to PIC, but they acknowledge that this scenario may not be realistic. Pragmatically speaking, we believe the best scenario may be to leave Wa'eli in office until the elections. We also reiterate the need to appoint formidable individuals to replace the feeble police chief and ESC, with the caveat that not much in the way of reform will be accomplished in the next few months. Reliable contacts believe this is the only way to

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maintain the balance of power in Basrah and point out that Wa'eli has in fact been fulfilling the responsibilities of his office. Regardless of our perspective, it is incumbent upon the Prime Minister to resolve the fate of the Governor and security officials. While this may not necessarily improve the situation, if we do nothing, the ship will likely continue sailing in the wrong direction.

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